

VZCZCXRO1118
RR RUEHAG RUEHBC RUEHDE RUEHDF RUEHDH RUEHIK RUEHKUK RUEHLZ RUEHROV
RUEHSL RUEHSR
DE RUEHLB #0843/01 2081253
ZNR UUUUU ZZH
R 271253Z JUL 09 ZDS ZDK
FM AMEMBASSY BEIRUT
TO RUEHC/SECSTATE WASHDC 5418
INFO RUEHEE/ARAB LEAGUE COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RHEHAAA/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/USDOC WASHDC

UNCLAS SECTION 01 OF 02 BEIRUT 000843

C O R R E C T E D C O P Y (FINAL PARAGRAPH NUMBER)

SIPDIS

SENSITIVE

STATE FOR NEA/ELA AND EEB/IFD/ODF
STATE PASS USTR FRANCESCKI
STATE PASS USAID LAUDATO/NANDY/SCOTT
TREASURY FOR PARODI/BLEIWEISS/AHERN
USDOC FOR 4520/ITA/MAC/ONE
NSC FOR SHAPIRO/MCDERMOTT

E.O. 12958: N/A

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SUBJECT: LEBANON: JOB CREATION IS PRIORITY FOR PM-ELECT (ECONOMIC
WEEK IN REVIEW, JULY 20 - 26, 2009)

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PM ELECT'S PRIORITY
IS JOB CREATION

[1](#)1. (SBU) Senior economic advisor to PM-elect Saad Hariri and potential finance minister in the next cabinet, Dr. Nadim Munla, said Hariri plans to focus on job creation and to enact a program creating at least 200,000 jobs over the next five years. Munla said on July 21 that Hariri was considering establishing a joint public/private equity fund of about \$500 million with job creation as the main criteria for equity participation. The PM-elect was also considering setting up offices to help SMEs draft proposals to borrow from financial institutions.

[1](#)2. (SBU) Munla said the timing was wrong for telecom privatization, noting that privatization proceeds would only reduce public debt by 10%. He stressed that the GOL should reduce debt by increasing the size of the economy. While government sources forecast a 6% growth in 2009, Munla expects growth to reach 8-10%. (Note: Munla's forecast was based on estimates that \$1 billion - mostly inflows - was spent during the parliamentary elections, in addition to a booming tourism season. End note.)

USTR COMMENDS LEBANON FOR
COMBATTING CABLE PIRACY

[1](#)3. (SBU) During a July 23 conference call with USTR, DOS, and

Lebanese public sector officials on Intellectual Property Rights (IPR)-related steps required for Lebanon's accession to the World Trade Organization (WTO), USTR commended Lebanon's progress in fighting cable piracy and legitimizing cable operators. USTR highlighted the need for Lebanon to provide IPR-related statistics on seizures of counterfeit goods by the police and customs and judicial cases to be better able to quantify Lebanon's progress in protecting IP.

14. (SBU) During the conference call, Judge and IPR expert Nassib Elia, quoting his own figures, said that in 2008, 482 IP cases were brought to the courts in Lebanon, compared to 381 in 2007. Elia and Colonel Walid Habr from Lebanese Customs expected more cases in 2009, but Habr noted that rights holders could do more to alert enforcement authorities of infringing material.

NEW TRANSPORTATION STRATEGY
NECESSARY; MARITIME INSTITUTE
UNDER CONSTRUCTION

15. (U) Caretaker Minister of Transportation Ghazi Aridi July 20 called on the incoming government to endorse the ministry's transportation strategy. The strategy includes ways to deal with Lebanon's severe traffic problems and is backed by the entire transportation sector, regardless of political affiliation, Aridi said. Separately, director general of the Ministry of Transportation Abdel Hafiz Kayssi noted that work has already started on the construction of a Maritime Institute in Batroun (north Lebanon). The institute will help Lebanon further develop its maritime sector and become a hub for maritime training in the region; the project is estimated to cost around \$2.5 million.

BEIRUT WORKSHOP ON COUNTERFEIT GOODS
CALLS FOR SPECIALIZED IP COURTS

16. (U) On July 23, the Institute of Finance, in collaboration with
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the Brand Protection Group (BPG), launched an eight-week workshop on counterfeit and fake goods. Representatives of private company members of the Brand Protection Group (in industries including pharmaceuticals, IT, cosmetics, clothing, cars, and luxury goods) will help enforcement officials identify fake and counterfeit products. Participants include Lebanese Customs, the Internal Security Forces (ISF), and inspectors from the Consumer Protection Department at the Ministry of Economy and Trade (MOET).

17. (U) During the opening ceremony, speakers stressed the need for greater public awareness on the importance of Intellectual Property Rights (IPR) and the risks associated with counterfeit and fake goods, but commended the efforts of enforcement officials in recent years. Speakers argued that specialized IP courts were necessary for tougher sentences and quicker court procedures for infringers.

MEDICAL TOURISM ON
THE RISE IN 2009-2011

18. (U) According to a report by the Investment Development Authority of Lebanon (IDAL), medical tourism in Lebanon is expected to increase by 30% in 2009-2011 and generate revenues of around \$1.2 billion. Acting Director of the American University Hospital (AUH) Dr. Marina Hage said visitors take advantage of Lebanon's low costs and professional doctors for general surgeries, medical treatments, diagnosis, and clinical consultations, as well as plastic surgery. According to President of the syndicate of hospitals Suleiman Haroun, the number of medical tourists, mainly Lebanese immigrants and Arabs from the Gulf, has risen in the past two years. If the trend continues, Lebanon may soon reclaim its title from the 1970's of "hospital of the Middle East."

FCS AND ARAB ICT
ASSOCIATIONS SIGN MOU

¶9. (SBU) On July 15, the U.S. Foreign Commercial Service (FCS) and the Union of Arab ICT Associations (IJMA3) based in Beirut, signed a memorandum of understanding (MOU) to promote information and communication technology (ICT) between the U.S. and MENA region. Both parties will organize the MENA ICT Week 2009 Conference in Bahrain in November to promote ICT trade.

SWINE FLU CASES
REACH 105

¶10. (U) According to the Ministry of Public Health (MOPH), the number of swine flu cases reached 105, up from 82 last week. The MOPH expects the number of cases to rise, as more people visit Lebanon during the summer holidays. No deaths have been attributed to the flu in Lebanon.

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